

# Russian Situation, President's Health, Bases of 1958 Forecasts

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## Torrance Herald

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TORRANCE, CALIFORNIA, THURSDAY, JANUARY 2, 1958

Eleven

### City to Enjoy Commercial, Industrial Growth in '58

By TOM RISCHE  
(Herald Staff Writer)

The complexion of Torrance should be considerably altered by Jan. 1, 1959.

Although there are many big plans for building in the city for the next year, it will be a different kind of construction than that which has been going on in Torrance for the past 10 years.

The 1958 building probably will be primarily commercial and industrial—aiding residents of the city and helping to fill the city's coffers. During the past 10 years, with the city's population growing from 12,000 to 93,000, Torrance has been more or less a bedroom community. A majority of its citizens have worked and played elsewhere and apparently shopped in other towns.

Construction in prospect during the coming year should help to change that picture.

**Center Started**

Groundbreaking ceremonies were held last week for what is called the biggest shopping center in the country—a \$40 million, 70-acre development at Hawthorne and Sepulveda—which will include Broadway, Sears, and some 50 smaller businesses. An estimated 3000 people will be employed there, and when finally developed, the Del Amo Shopping Center is expected to make the city's sales tax revenues about \$500,000 richer each year.

The new development is expected to spur commercial development of the whole area surrounding it, primarily along Hawthorne Ave. A new Jim Dandy Market is being built across from the center, with a bank also expected to occupy the same southwest corner of Hawthorne and Sepulveda. The Union Bank and Trust Co. last week filled an application for a site just north of the proposed new center.

Another big step commercially was taken last week, with the signing of a lease for development of the 35-acre Airport Triangle site by Jefferson, Inc. Although complete plans for the Pacific Coast Hwy. and Crenshaw Blvd. center have not been announced, a \$4 million development is planned there. Construction work on the first phase of this center will start later this year. Eventually, it will bring some \$250,000 in sales tax funds annually, city officials hope.

**Market Project**  
Work now is under way on a new Food Giant supermarket on 190th St., west of Hawthorne. Also planned at the same location is a new Sav-On Drug Store, with work expected to begin this year.

Development of land on the south side of Crenshaw and Pacific Coast Hwy. also may begin this year, with rumors that a large market is planned at that location.

Also planned for further expansion may be the northeast corner of Pacific Coast Hwy. and Hawthorne Ave. and the east side of Hawthorne Ave. near 183th St.

On the industrial front, a number of firms are making plans to locate in Torrance, which will mean jobs closer to home for many residents, and will mean more tax support for the city and schools.

**New Industries**

Work already has begun on the \$361,000 Fulton Paper Bag Co. plant back of the Civic Center. Foundation permits

have been issued and final building plans are now being checked for the firm, which makes reinforced paper bags.

Preliminary work also is under way on the Redwood Fabricating Plant, also back of the Civic Center. Redwood lumber will be dried and processed at the location.

Arrow Brands, Inc., is making plans to build a \$200,000 aluminum foil office and warehouse at Jefferson and Crenshaw. The 40,000-square-foot plant will make imprinted aluminum foil.

**Expansions Set**

The Felker Manufacturing Co. has announced plans to replace and remodel many of its present buildings at 1128 Border Ave.

Reports indicate that Reynolds Metals, which several years ago acquired the old Pacific Electric property at Dominguez and Crenshaw, will begin remodeling and building the facilities early in 1958 to set up full-scale production.

The Ryan Aeronautical Corp. expansion program is nearly complete at its Lomita Blvd. plant, with the work force expected to be expanded to about 1300 employees by March. Coleman Engineering is expected to complete its research laboratories southwest of Torrance Blvd. and Madrona Ave. early this year.

**Others Reported**

There also are rumors of several other new plants locating in Torrance and of a large expansion of at least one existing plant, but these apparently still are in the negotiating stage.

Observers predict that the Lomita Blvd. area between Hawthorne and Crenshaw should become a beehive of

industrial plants once Lomita Blvd. is widened and installation of larger water mains is completed. Some predict also that the area north of Mariposa Ave. between Maple and Crenshaw also may be developed soon.

Plans now are being prepared for the new County courthouse, to be located just west of the Police Station on the Torrance Civic Center. In the meantime, the old City Hall, El Prado and Cravens, will be used as a branch of the South Bay Municipal Court.

**Other Building**

Adjoining the new Del Amo Shopping Center will be a group of three-story medical-dental professional buildings, to be built at a cost of some \$2 million. The buildings will be located on Hawthorne Ave., north of Carson St.

Groundbreaking ceremonies were held in December for the Little Company of Mary's 156-bed hospital on Torrance Blvd. and Earl St. The huge new hospital will cost about \$2,700,000.

Another 60-bed Torrance Community Hospital will be built at 5201-05 Torrance Blvd. Plans call for an eventual 100-bed hospital on the site. Preliminary plans for the structure have been presented to the city. It will be similar to the Gardena Community Hospital in layout.

On the residential level, officials foresee a rash of apartment building during the coming year. One large apartment development might go southeast of Madrona and Carson St., as the owners sought a change of zone on the property this month.

There was a considerable upswing in apartment development in all parts of town during

the past year as most of the city's large pieces of available land were filled by subdividers.

Officials estimate that there is now a potential for about 2000 more single-family homes in Torrance on land now zoned for that purpose or now zoned for agricultural purposes. They expect possibly about the same amount of residential activity in 1958 as there was in 1957, when 12 new subdivisions were built. Peak year for subdivisions was 1954, when 36 were built.

The prospects for a large development were in doubt. Developer George Chacksfield presented plans for a 465-home development at 190th and Crenshaw this year, but withdrew them and has not indicated whether he will go ahead with them.

### Schools Eye Senior Day Trip Costs

Senior Day at local high schools may have to be ditched.

Information presented to the Torrance Board of Education indicates that the traditional "senior day"—with class excursions to Catalina Island or other sports—may cost the district more and leave it with more liability than it can afford.

A law recently passed by the legislature would require the school district to finance transportation, supervision, admission fees, and other costs for the trip, while at the same time, would cut off state daily attendance funds for at least half a day.

### Junior College Enrollments To Pass 196,000 By 1970

By VONDA CARLTON  
Herald Staff Writer

By 1970, California Junior Colleges expect to be educating 196,000 persons a year on a full-time basis.

Enrollment figures in 1945 showed a total of 16,000 taking 12 units of work.

Between 1955 and 1960 enrollment will almost double, according to Forrest G. Murdock, president of El Camino College.

1955, junior colleges enrolled 70,000. Anticipated 1960 enrollment is 124,000.

At El Camino alone, plans already are under way to house double the present enrollment.

And while educators are beamingly admiring the projected enrollment, financial experts are beginning to look a little grim.

**Housing Plague**

The acute housing shortage which has plagued Southern California in the high school and elementary levels for the past five years hasn't reached the junior colleges yet.

But with more and more emphasis being placed on college degrees, school administrators must realistically face practicalities. Where are you going to put 'em?

El Camino's president has come up with the plan already being used by many large universities. Annexes.

He suggests that two annexes be constructed . . . one

to serve the Lennox and Inglewood area, the other for the South Bay area.

**Annexes Proposed**

"Students could attend part of the classes on the annex campus," Murdock declared.

"Then longer periods between classes would allow them time to make the trip over to El Camino for lab classes, physical education, and any class which needs special equipment.

"That way, the heavy expense of building new labs, football fields, hiring new sets be incurred."

It remains obvious to residents that some workable plan must be soon forthcoming. The present El Camino plant can accommodate 20,000 students. That figure must take in full-time and part-time enrollment.

To split the present district into thirds with each forming their own junior college area, would triple costs.

Bulging classrooms in high schools are a forecast of what's to come in junior colleges.

**Universities Jammed**

Universities already are jammed to capacity in most cases. Their school administrators are casting hopeful eyes toward the junior colleges to help take the load off their campuses.

Many students, who formerly considered a junior college an inferior institution or who could afford to go directly to a university, now are enrolling at a JC.

Dr. William H. Harless, director of instruction at the local college, estimates that 80-90 per cent of high school students who formerly would not consider going to a junior college now look upon the institution with favor.

With the fantastic expected enrollment, taxpayers, too, are becoming concerned. Tax bills already are sky high . . . and who can forecast a decline in tax rate, especially with more and more students continuing their educations at public colleges?

**About With Joy**

School administrators, abounding with joy at the sight of so many fertile minds to educate, chide SC's noted professor, Dr. Frank Baxter, who recently suggested too many students were being educated.

Dr. Baxter maintained that higher education should be for only those with higher abilities.

But most educators agree with El Camino's president who says "everyone in all generations has a right to education."

Whatever the answer, be it more campuses or fewer students, something must be done now or colleges will be in worse shape than high schools are now.

The future looks bright for junior colleges, but it's dismal for taxpayers who must foot the bill.

### Economic Dictator May Direct Money Policies for 'Cold War'

By ROGER W. BABSON

Next to the Russian situation, President Eisenhower's condition will be of supreme importance. What its influence upon Russia will be, nobody knows. It probably will not affect general business. I believe that for some time our President has not been making important policies and, much to his disappointment, his recommendations have been largely ignored. The major effect of the President's condition will be political. Those close to the President, for both friendship and political reasons, are hoping for his recovery both in health and in memory. Others in charge of the Republican party, anxious about his possible incapacitation or death, would like to see him resign and drop out of the picture in order to give Vice President Nixon a good buildup in the hope of re-electing the Republican party again in 1960.

For evident reasons, the Democrats are hoping that Vice President Nixon will not have an opportunity to function as President before the coming election. Therefore, President Eisenhower's condition could greatly influence the political situation during the next few years. This would cause uncertainty and retard large corporate expansion programs as well as consumer buying.

I cannot believe that Russia wants World War III; in fact, I am confident that Russia will go to some lengths to avoid World War III. In case of any retaliation by us, Russia would suffer great losses. Moreover, if Russia has any hope of conquering our country, she certainly wishes to preserve our cities, industries, and other valuable assets. Russia has land enough now; it is our industries which Russia wants. This also applies to England and western Europe as well as the United States. Therefore my forecasts for 1958 are as follows:

1. The present cold war will be intensified during 1958. This will increase fear of war, which could greatly affect retail sales.

2. Russian policy will be aimed at securing control of the United States, the countries of western Europe, and the Middle East by infiltration.

3. The cold war costs the United States billions of dollars annually. This can be paid for only through increased taxes or inflation, or by the adoption of the Hoover Commission's recommendations for radical economy.

4. Profits will be further squeezed during 1958, as a result of higher costs and pressure for lower prices.

5. Competition at all levels will increase during 1958.

6. Only more advertising by both manufacturers and retailers will enable them to keep up their present gross volume during 1958.

7. Failures will increase in 1958. These will apply mostly to small concerns, but some one of the big companies in the Dow-Jones Averages may collapse.

8. Predicting a lower total volume of business for 1958, compared with 1957, I forecast a moderately lower trend, on average, for wholesale commodity prices. Expect a gradual decrease in the cost-of-living.

9. Wise labor leaders will hesitate to fight for higher wages, but will try for shorter hours, pensions, and other "fringes."

10. European countries will have less to spend for American goods, and foreign trade will decline in 1958 compared with 1957.

**Money Outlook**

11. Money will continue to be "tight" during 1958 for new borrowers who have not established a satisfactory line of credit.

12. Owing to declining demands for funds, interest rates will decline in 1958.

13. Concerns with large numbers of employes will receive first consideration both by banks and by the government.

14. For fear of World War III, and due to declining business, many plans for expansion of plants will be postponed.

15. Money rates may be "fixed" during 1958 by an economic dictator.

16. Lower money rates will make it easier to sell long-term bonds during 1958.

17. The supply of non-taxable state, municipal, turnpike, and other "Authority" bonds will increase during 1958.

18. I forecast higher prices for many corporation bonds.

19. Investors will continue, during 1958, to switch from stocks to attractive bond issues; fear of war will rule all markets.

20. Bankers will fear that the government—as a part of the cold war—will appoint a dictator to direct the policies of all national banks, the leading stock exchanges, and investment dealers.

**Labor Outlook**

21. There will be a general fear that the government—as a part of the cold war—will fix wages in many industries and prevent further increases during 1958.

22. The revelations brought about by the investigation of the Teamsters Union may lead to important new labor legislation.

23. The Taft-Hartley Law will not be repealed in 1958, and may be made more severe. Much, however, will depend upon President Eisenhower's physical and mental condition.

24. Congressional attempt will be made to eliminate the present exemption of labor unions from anti-monopoly laws.

25. 1958 will be a sad year for labor leaders. I forecast that there will be an increase of unemployment during 1958.

26. I forecast that with the possible exception of the auto industry, there will be no national strikes during 1958.

27. I forecast that automation will slowly increase during 1958.

28. If wages should be fixed as a part of the cold-war program, retail prices will also be fixed.

29. All workers, especially office workers, will be more efficient in 1958. It will be more difficult for the next group of college graduates to get good positions at high wages.

30. For the past few years labor has been sitting in the driver's seat. Many industrialists and political leaders have feared that the country is headed for a socialist or labor government. A cheerful sign now is that such fears may, temporarily at least, be forgotten. The American working man is himself becoming disgusted with too powerful labor leaders. This should be good news to all honest employers.

**Outlook For Real Estate**

31. Land adjoining cities and towns will increase in value during 1958. This especially applies to small farms.

32. Large commercial farms will continue to prosper during 1958, but the small farmer will continue to suffer if dependent on farming.

33. Under an economic dicta-

tor, farmers would receive no increased price supports. If farm prices are fixed, they will be at lower levels.

34. Large cities may continue to lose in population. Large city real estate will sell for less, for fear of Russian missiles.

35. The growth of suburbs will continue, although many houses now occupied by well-paid executives will be forced on the market as their owners lose their present high-salaried positions.

36. Construction activity in many communities will decline. Older houses will come on the market.

37. In many sections of the country there will be a greater demand for cooperative modern apartments than for single houses, although old apartment houses will sell for less. More young people and old people will insist upon every modern convenience and upon locations not absolutely dependent on automobiles.

38. Well-located woodlands will continue to increase in price. This certainly applies to pine wood tracts, especially in the South.

39. Canadian oil reserves should begin to recover in price unless there is rationing of gasoline in the United States in late 1958.

40. The most important factor in connection with real estate is the parking problem, which is a curse of almost every city. Suburban real estate and farms owe much to the automobile, but the automobile industry is now reaching a stage where it could revolutionize present real estate prices. It is a bellwether of general business for 1958. It is, however, like everything else, subject to the business cycle and may be a cause of the next depression. Another probable cause will be the failure of one of the big corporations whose stock is among the "30 Blue Chips" of the Dow-Jones Industrials.

**Stock Market Outlook**

41. The "bloom is off the stock market." We will have rallies and reactions during 1958, but the broad trend will be downward. This is the first time for many years that I have said this in my annual report. There is too much talk about missiles, bombs, and fallout.

42. While the stock market has been going up during the past few years, the bond market has been going down. The reverse will take place during 1958. While the stock market is going down, the bond market will begin to creep upward. This especially applies to tax-free bonds, the purchase of which I strongly recommend.

43. Good cumulative non-callable preferred stocks will also be in demand during 1958. Owing to the money market, they recently suffered in price; but owing to lack of supply, they will be the first stocks to recover. Remember, I am now recommending only high-grade cumulative non-callable preferreds.

44. The large fortunes made in the stock market have come

from buying non-dividend-paying stocks at \$5 a share or under. These will be the first to reach a buying level. If you are to buy these low-priced stocks, you should seek companies without too much cumulative preferred stock outstanding. This is the opposite of the "preferred" recommendation in paragraph 43.

45. Large bank balances will continue to be a good investment in 1958. Many savings banks are now paying 3 per cent to 3 1/2 per cent interest. These balances, however, should not be looked upon as permanent investments, but rather as a means of enabling you to have cash available when common stocks reach a low level. This time may NOT come in 1958. Here again, much depends upon President Eisenhower's condition.

46. Although many corporations interested in atomic energy, electronics, rare metals, and other growth industries will become more prosperous and profitable to investors, some of these new companies will be wiped out. Hence, investors should be careful in connection therewith.

47. Utility stocks should hold their own with regard to dividends and marketability. Electric power will always be in demand.

48. Most railroad stocks should be avoided. Most passenger business is now being operated at a loss. Trucks, buses, airplanes, and private automobiles will ultimately force the government to take over the railroads. In the meantime, the securities of the long-haul railroads, which specialize in heavy freight, will be the best to own. The short-haul roads should be avoided by investors.

49. Notwithstanding the above, we cannot now become panicky or too bearish. Our country is not now operating on the Gold Standard which was responsible for many of our national crises, but is now on a Political Standard. Although Newton's Law of Action and Reaction must continue to operate, yet Congress can for a while lengthen the prosperity cycles. This it will attempt to do even if it requires an economic dictator to temporarily regulate money, wages, prices, rents, taxes, and industry in general. I cannot forecast disarmament in 1958. It appears to me now, however, that the present race in guided missiles, atomic underwater navies, surprise satellites, and other tremendously destructive military equipment could ultimately rob us of our freedom and turn us back to slavery unless disarmament becomes a serious goal. The Sputniks should hasten either another military world war or the elimination of world wars. Sputniks should shorten the cold war now in progress.

50. Speaking realistically, the hope of the United States and the world depends upon our spiritual relationships. Only as we grow spiritually, along with our material growth and military power, can the world be kept in balance. Therefore, my final appeal is for the support of all churches of all denominations and their ministers, priests, and rabbis who are carrying the torch of righteousness.

### Cost-Of-Living Hikes Slated for North American

Over 50,000 employes of North American Aviation, Inc., will receive cost-of-living adjustment increases in pay in January, according to E. D. Starkweather, corporate director of Personnel Administration.

The increases total approximately \$400,000 a month throughout the company of which approximately 332,000 employes in the Los Angeles area. The adjustments are based on the Nov. 15, 1957, U. S. Consumer Price Index, All Items, of 121.6 just released by the Bureau of Labor Statistics.

Employes on salary payroll will receive an increase of 3.3% of their base monthly

salary, effective Monday, Jan. 13. For employes on the hourly and weekly payrolls, the increase will be one cent an hour beginning Jan. 27, making a total of 13 cents an hour now being paid in cost-of-living allowance.

The cost-of-living increases will be seventh for hourly and

weekly payroll employes and the second for salaried employes since 1956 under the company's present adjustment plan. The increases will be received by employes at the company's Columbus Ohio, division and Neosho, Mo., plant as well as all divisions in the Los Angeles area.

**Accountants to Hear Stock Market Expert**

Speaking before the Torrance members and guests of the Long Beach Chapter of the National Assn. of Accountants at this January meeting will be Thomas P. Phelan, executive vice president of the Pacific Coast Stock Exchange.

The subject of Phelan's talk will be, "Functions of the Various Securities Markets." He

will point out that the average American does not appreciate the role of the security markets in our economy, and that too many individuals believe these markets have only to do with speculation on gambling.

In his talk he will explain the various functions and operations of the securities business.